



TaxJourney

United States

October 24, 2024

2024 Presidential Election & Tax Policy - Comparative Analysis

As the November elections approach, tax policy has emerged as a critical issue for American businesses. The 2017 Tax Cuts and Jobs Act ("TCJA"), enacted during Former President Donald Trump's presidency, includes several provisions set to expire in 2025, making tax proposals from both candidates particularly relevant.

While the policies of Vice President Kamala Harris and Donald Trump both share some common ground, such as eliminating income tax on tips and expanding the child tax credit, significant differences exist in their tax plans.

The tax policies of Donald Trump and Kamala Harris for the 2024 presidential election present distinct approaches to corporate, individual, and trade taxes. Here is how their policies compare.

Corporate Tax Rates

Kamala Harris: Proposes raising the corporate tax rate from 21% to 28%, aligning with previous proposals by President Biden.

Donald Trump: Suggests reducing the corporate tax rate to between 15% and 20%, specifically incentivizing companies that manufacture domestically.

Individual Income Taxes

Kamala Harris: Plans to increase the top individual income tax rate from 37% to 39.6% for individuals earning more than \$400,000, while ensuring no tax increases for those earning less.

Donald Trump: Aims to make the individual tax cuts from the TCJA permanent, which would benefit higher-income earners more significantly.

Capital Gains Taxes

Kamala Harris: Supports raising the capital gains tax rate to 33% for individuals earning over \$1 million annually, including a new tax on unrealized capital gains for those with a net worth over \$100 million.

Donald Trump: Has not proposed specific changes to capital gains taxes.

Child Tax Credit

Kamala Harris: Proposes increasing the child tax credit significantly, offering \$3,600 for children aged 0-5 and \$3,000 for children aged 6-17.

Donald Trump: Supports maintaining the current child tax credit at \$2,000 per child but has not detailed plans for expansion.

Trade and Tariffs

Kamala Harris: The Biden-Harris administration has implemented tariffs on specific imports such as electric vehicles and certain raw materials, aiming to raise revenue without significantly impacting household incomes.

Donald Trump: Proposes a universal baseline tariff on all imports between 10% and 20%, with a specific 60% tariff on imports from China, which could reduce after-tax incomes for American households.

Other Proposals

Both candidates agree on exempting tips from income taxation to support hospitality workers.

Kamala Harris: Plans to increase deductions for small business startups and provide down payment assistance for first-time homebuyers.

Donald Trump: Proposes exempting Social Security benefits and overtime pay from taxation.

These proposals reflect differing priorities in terms of economic growth, income distribution, and fiscal policy impacts. Both candidates' plans are projected to increase the national deficit over the next decade, with varying effects on different income groups.

[Follow Us On LinkedIn](#)

This document on its own represents an incomplete record of SWBA's views and deliberations on the subject. This document is proprietary to SWBA and its use outside of SWBA is strictly prohibited without prior consent or appropriate authorization. This document contains general information only and is based on the experiences and research of SWBA practitioners. SWBA is not, by means of this publication, rendering accounting, business, financial, legal, tax, or other professional advice or services. This document is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking an action that may affect your business, you should consult a qualified professional advisor. SWBA, its affiliates, and related entities shall not be responsible for any loss sustained by any person who relies on this document.

© Small World Business Advisors LLC and affiliated entities.